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DATE: October 15, 2013  
TO: Board Members of the Iowa Lottery Authority  
FROM: Brenda Nye, Chief Financial Officer

Attached are the financial statements for September 2013. During September, we had revenue of \$26,045,253. This sales level resulted in \$6,463,986 of proceeds payable to the State General Fund and \$83,623 of proceeds payable to the Veterans Trust Fund.

Attachments

**IOWA LOTTERY AUTHORITY**  
**SCHEDULE OF ECONOMIC BENEFITS**

**September 30, 2013**

<b>Proceeds to Iowa Plan</b>		\$170,318,439
<b>Proceeds to CLEAN fund</b>		\$35,894,355
<b>Proceeds to Special Appropriations</b>		\$13,773,572
<b>Proceeds to Gambler's Treatment Program</b>		15,732,208
<b>Proceeds to the State General Fund:</b>		
Prior to Fiscal Year 2014	\$1,231,172,262	
Fiscal Year 2014		
Transferred	0	
Payable	19,072,198	
		1,250,244,460
<b>Proceeds to the Veterans Trust Fund:</b>		
Prior to Fiscal Year 2014	\$13,396,520	
Fiscal Year 2014		
Transferred	0	
Payable	669,244	
		14,065,764
<b>Total</b>		<b>\$1,500,028,798</b>

**IOWA LOTTERY AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE MONTH AND YEAR ENDED SEPTEMBER 30, 2013**

	<u>Month ended September 30, 2013</u>	<u>Month ended September 30, 2012</u>	<u>Year-to-date September 30, 2013</u>	<u>Year-to-date September 30, 2012</u>
<b>OPERATING REVENUES</b>				
Instant-scratch ticket sales	\$13,978,725	\$13,694,847	\$45,001,498	\$43,661,094
Pick 3 sales	557,563	547,394	1,689,282	1,672,633
Powerball sales	7,531,376	5,798,367	21,126,274	18,061,737
Mega Millions sales	1,370,385	1,171,348	3,297,275	3,586,121
Hot Lotto sales	718,807	817,760	2,717,375	2,613,865
Pick 4 sales	257,109	237,802	766,930	723,790
\$100,000 Cash Game sales	353,732	354,483	1,115,329	1,099,523
Pull-tab sales	1,277,063	1,276,936	4,044,725	4,152,566
Application fees	250	350	925	950
Other revenue	243	611	4,665	6,108
<b>Total operating revenues</b>	<b><u>26,045,253</u></b>	<b><u>23,899,898</u></b>	<b><u>79,764,278</u></b>	<b><u>75,578,387</u></b>
<b>OPERATING EXPENSES</b>				
Scratch ticket prize expense	8,971,848	8,719,390	29,124,470	27,857,316
Pick 3 prize expense	330,958	324,637	990,741	989,290
Powerball prize expense	3,695,557	2,815,755	10,317,292	8,839,036
Mega Millions prize expense	684,197	592,434	1,639,497	1,814,573
Hot Lotto prize expense	349,859	398,847	1,314,380	1,225,390
Pick 4 prize expense	150,081	141,246	445,233	425,064
\$100,000 Cash Game prize expense	189,037	189,937	596,573	588,260
Pull-tab prize expense	798,742	800,838	2,537,093	2,600,569
VIP Club prize expense	245,000	160,714	245,000	491,947
Promotional prize expense	8,833	8,275	101,211	24,385
Advertising/publicity	758,711	446,494	1,890,297	1,560,443
Retailer compensation expense	1,674,129	1,514,663	5,076,239	4,817,803
Ticket expense	279,119	235,085	853,221	694,646
Vendor compensation expense	538,834	454,240	1,626,375	1,509,868
Salary and benefits	784,110	717,686	2,458,937	2,368,326
Travel	27,676	30,878	108,706	105,481
Supplies	14,294	4,735	43,322	30,186
Printing	65	767	5,992	1,079
Postage	276	259	809	1,020
Communications	14,070	12,625	35,027	32,992
Rentals	23,056	24,705	75,916	75,075
Utilities	8,210	6,661	21,715	21,427
Professional fees	6,948	17,829	20,738	25,794
Vending machine maintenance	47,020	44,691	141,123	134,200
Outside services and repairs	25,476	17,910	109,499	67,322
Data processing	7,380	5,929	22,426	14,070
Equipment	16,561	17,052	34,171	52,463
Reimbursement to other				
state agencies	30,780	27,526	86,177	82,380
Depreciation	24,467	20,283	73,147	60,848
Other	9,160	4,778	17,682	11,932
MUSL administrative expense	4,434	9,263	13,301	9,263
<b>Total operating expenses</b>	<b><u>19,718,888</u></b>	<b><u>17,766,132</u></b>	<b><u>60,026,310</u></b>	<b><u>56,532,448</u></b>
<b>Operating income</b>	<b><u>6,326,365</u></b>	<b><u>6,133,766</u></b>	<b><u>19,737,968</u></b>	<b><u>19,045,939</u></b>

**IOWA LOTTERY AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE MONTH AND YEAR ENDED SEPTEMBER 30, 2013**

	<u>Month ended September 30, 2013</u>	<u>Month ended September 30, 2012</u>	<u>Year-to-date September 30, 2013</u>	<u>Year-to-date September 30, 2012</u>
<b>Non-operating revenues (expenses)</b>				
Proceeds deposited to:				
State General Fund	(6,463,986)	(6,055,941)	(19,072,198)	(18,054,228)
Veterans Trust Fund	(83,623)	(101,538)	(669,244)	(820,592)
Interest Income	8,054	48,559	8,222	48,559
Interest expense	<u>0</u>	<u>(3,010)</u>	<u>0</u>	<u>(9,030)</u>
<b>Net non-operating     revenues (expenses)</b>	<u><b>(6,539,555)</b></u>	<u><b>(6,111,930)</b></u>	<u><b>(19,733,220)</b></u>	<u><b>(18,835,291)</b></u>
<b>Change in net position</b>	<b>(213,190)</b>	<b>21,836</b>	<b>4,748</b>	<b>210,648</b>
Net position, beginning of period	<u>6,502,117</u>	<u>5,384,772</u>	<u>6,284,179</u>	<u>5,195,960</u>
<b>Net position, end     of period</b>	<u><b>\$6,288,927</b></u>	<u><b>\$5,406,608</b></u>	<u><b>\$6,288,927</b></u>	<u><b>\$5,406,608</b></u>